

Written Statement Presented at Subcommittee Hearing on Tragic Anniversary of the 1989 Tiananmen Square Protests and Massacre

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Mr. Chairman and other members of the Subcommittee,

Thank you very much for hosting this important hearing on the 24th anniversary of the 1989 Democracy Movement and the Tiananmen Massacre. In this written statement, I review the lessons learned and address the unfinished business of the 1989 Democracy Movement which was violent suppressed by the Chinese government. I also analyze the current political situation, current fights for human rights and prospects of democratization in China.

The pro-democracy movement of 1989 stood against government corruption and stood for democracy and freedom. It has been one of the greatest sources of inspiration for continued struggle for these goals and even today's grassroots protests against government corruption and unjust government policies.

This movement was widespread but ended in bloodshed.

Over the past 20 some years after the Tiananmen Massacre, the CCP regime has established a two China structure, and one of the two Chinas, which I call China, Inc.

Let's see how the China,Inc. has been formed.

The Tiananmen massacre created a strong sense of fear and dismay of general politics among ordinary people in China. Any room for a public system of checks and balances against governmental abuse of power was taken away.

It also created a sense of fear and crisis within the Communist regime because it had brought unprecedented public awareness to human rights and democracy. Although the Chinese Communist regime cracked down on that movement, life was no longer the same for the rulers. The regime had to face a completely different domestic and international environment and had resort to new tactics to meet its "overwhelming" need for stability.

The subsequent disintegration of The Soviet Union and the Eastern European Bloc cast an even heavier cloud over the heads of Chinese Communist officials. “How long can the red flag continue to fly?” They all started to doubt. Here, the doubt had two layers of implications. The first was, for how long can the communists stay in power and what would happen after they were gone? The second was, what does the ongoing, market-oriented economic reform have to do with communist doctrine?

Shortly after Deng Xiaoping’s famous Southern Inspection Tour 1992, Communist officials at all levels realized three realities: First, the Chinese Communist Party’s stay in power has nothing whatsoever to do with communist ideals. Second, “economic growth means everything;” that is, continued economic growth is the last, best hope to keep the CCP ship afloat. Third, In order to uphold the one-party dictatorship, it had to rely on capitalizing on the dark and evil side of human nature: spoiling the elite in exchange for their loyalty. Therefore the corruption of the powerful elite now became accepted, endorsed, and even demanded.

With the understanding of these three realities, the communist officials developed an undocumented but almost unanimously accepted code of conduct—or rather, code of corruption. So, every piece of governmental power is on sale in the market and every corner of the market is invaded by political power.

Officials in nearly all government agencies spend most of their energy beefing up GDP, engaging in power arbitrage, bribing their superiors, and seeking luxurious personal perks. They are doing this because it is a natural choice for them, probably the only choice. They gain enormous financial and materialistic benefits without taking any political risk. As a result, the Communist Party elite, who used to label themselves “the vanguards of the proletariat class,” have either turned themselves into get-rich-overnight capitalist, or become brokers, patrons, and backers of domestic and foreign capitalists. All this was made possible thanks to the Tiananmen massacre and the political terror that was imposed on the entire country in the years following since, as a result, the entire society had lost the willingness or ability to check and balance the political power.

In such a political environment, political power was dancing a full-swing tango with capital operation. Low human rights standards, low wages, lack of environmental protection regulations and enforcement, and the illegality of collective bargaining all contributed to creating a golden opportunity for domestic and international speculative capitalists. As a result, "money" quickly courted “political power.” Business venture takers go to any length to seek out someone in power to serve as backers so that they can grab market opportunities without fair competition. They also use political connections to shed any and all legal and social responsibility. In a sense, the Chinese Communist Party, which used to be China Inc.’s sole shareholder, has now opened up its equity and offered its shares for capitalists to purchase.

The CCP’s 16th National Congress published a new Party Charter that welcomed capitalists as Party members. As a result, capital has become the greatest advocate of the current system. For the past two decades, the marriage of power and capital in China has been an ongoing soap opera that shows no signs of being cancelled. This marriage is also extended to Hong Kong, Macao, and Taiwan, and the international community writ large.

While the shares of China, Inc. are open for domestic and foreign capitalists to purchase, they were offered to China's intellectuals as free, performance-related stock options. The regime knows that in addition to economic growth, there is something else that also means everything to its survival; that is so-called "political stability." In order to sustain such stability, the CCP regime offers all kinds of bribery incentives to buy off anyone and everyone of importance and influence in society. The bribery list includes bureaucrats at every level of governmental, military officers, and business leaders, who the regime deems direct relatives. The list also includes: college professors, journalists, publishers, authors, art performers, high-profile athletes, and so on. The government pays all these people off in the form of salaries, bonuses, state-covered expenses, free medical insurance, subsidized housing, free pension plans and so on. Laws and policies more and more favor this group of people in exchange for their recognition and acceptance of the political status quo. Their income and perks add up to wealth that is disproportionately higher than that of ordinary workers, farm workers, clerks, and small business owners. The gap is much larger than that in any other country in the world. Such a policy of co-opting and buying off potential opposition is quite effective in conjunction with the high-pressure purges and persecution after the Tiananmen massacre. The cruelty of political reality created terror in the minds of intellectuals as a psychological deterrent. As time went on, fear turned into the cynicism, becoming increasingly indifferent to what was right and what was wrong. Indifference and hypocrisy rapidly became a new fashion that all the modern Chinese intellect tried to follow. This, coupled with a piece of the action in China Inc., made many intellectuals—who had once been independent and once been considered the conscience of the society—soften up their position against the post-Tiananmen status quo.

In summary, China, Inc. is formed by

1. Red Capitalists, through
2. Marriage between Power and Capital taking advantage of:
 - low human rights standards
 - low environmental protection
 - low wages
 - banning collective bargaining power
3. China Inc. shares open to domestic and foreign capitalists
4. China Inc. shares free to intellectuals

In today's China, power (political elite), capital (economic elite) and "intellect" (social and cultural elite), are bonded together with corruption as the adhesive to form an alliance that maintains the existing political order. This alliance owns and runs China, Inc., dazzling the entire world with its wealth, might and glory. With China's vast geographic size and population, the shareholders of China, Inc. have impressed many observers with their prodigious wealth accumulation and astonishing growth rates, making those same observers believe China stands as an alternative model for modernization to democracy. By the same token, these shareholders also control all the channels of the information flow and dominate the public discourse. They can make their voices loud enough so the outside observers believe that they represent China, that they are China—the whole of China.

The truth is, there is another society named China, a society constituted of over a billion Chinese who are virtually laborers working for China, Inc.

There you go, on one side of the coin is the elite Corporate China; and the other side is what we call “the China of shitizens.”

Of course, you cannot find the word “shitizen” in any official language. Here is an illustrative Chinese story: On October 29, 2008, 8:00 pm, a governmental official, Party secretary Lin, violently harassed an 11-year-old girl in front of her parents on a busy street in Shenzhen, one of the most “modernized” cosmopolitan cities in China. When the girl’s parents tried to stop him and passersby protested against him, he shouted “How dare are you get in my way? Do you guys know who I am? I am a representative from the central Ministry of Transportation in Beijing. I ranked as high as your mayor in the government. You guys are as dispensable and worthless as a piece of shit in front of me.” The incident and Secretary Lin’s language quickly circulated on the internet, and since then numerous people have sarcastically begun calling themselves “Chinese shitizens” to show their discontent and despair.

Here is how China, Inc. and the under China diverge:

1. China Inc. possesses all of the political, economic, and social and cultural resources in China.

2. The rules of the games at all levels in China are set by China, Inc. who also officiates the games. The outcome of any conflict between elite society and shitizen’s society involves no suspense. In just two decades, China achieved the polarization of the country with unprecedented speed. Data show that at present, 0.4% of China's households possess 70% of the national wealth. (Wen Jiabao) The material wellbeing and luxury enjoyed by this 0.4% is second to none in the world. However, the billion shitizens of China benefit very little, if any, from the fruit of this economic growth. Recently, a Chinese scholar named Liu Zhirong did thorough research on world salary levels and on social security safety nets. He found the following: China’s minimum wage is only 15% of the world’s average, ranking 159th globally. The minimum wage’s contribution to GDP also ranked 159th globally, behind 32 African countries. On the opposite end of the spectrum is China’s Tax Misery Index (tax burden minus benefits received). It has ranked 2nd or 3rd for several years in a row. These data do not take any undocumented—but heavy and widespread—fees or uncompensated property takeovers into account.

3. Shitizens are by no means citizens, as they are unable to enjoy basic benefits or constitution-warranted civil rights. In China, discriminations against them are open, legal, institutionalized, and all-inclusive, spreading into the fields of politics, business, culture, and education. For example, the institutionalization of the so-called HUKOU (local residency restriction) imposes discrimination against migrant workers in the cities. Their children cannot receive normal public education. The Electoral Law expressly states that one ballot cast by a rural farm worker counts as ¼ of the ballot cast by a city resident. But these are just statutory discriminations. The reality is that the powerless people, whether they live in urban or rural areas, have no say whatever in any local, regional, or national public affairs that may directly affect their interests. With the judiciary system as it is constituted under dictatorship, people have no recourse to have their grievances redressed when their interests are hurt and/or their rights violated.

4. The elite's monopoly over power, capital, and information, and its insularity, makes mobility between the two Chinas nearly stagnant. For many years, right after the founding of the People's Republic of China, people in the grassroots were allowed to move upwards through military service and higher education. Now the elite China relies more and more on blood relations to maintain the stability of the ruling group. The commonly accepted way to gain a position in the government and in the military is purchase it with a large sum of cash. But this is just a transaction between a member of the political elite and a member of the economic elite. The underclass can seldom go anywhere by virtue only of their personal talents and hard work.

5. The two Chinas no longer speak a common political language. The official language continues to use the rigid official political terminology to make clear the government's intent to maintain the existing political order. Under the cover of such rigid language, the unspoken rules of a mafia operating by the codes of the jungle governs all transactions. Because the official language is so false, lofty, and meaningless, so far removed from actual public life, it is almost impossible for the ordinary people to use it to express their opinions. They have to seek another language. Since all the traditional media are tightly controlled by the ruling elite, they resort to cyberspace, creating numerous new concepts and new words in cyberspace that gained the acceptance of the general public. For example, "don't be so CCTV" (don't be so hypocritical), "TG" (initials for Tu Gong meaning "uncivilized or barbarian communists" in Chinese), "river crab" (homophone for the political buzz word "harmony"), "top movie star" (nick name for premier Wen Jiabao, who likes to weep in front of TV camera from time to time). The isolation of the two languages underlines the existence of the two mutually isolated societies in China.

6. The two Chinas have almost no common political life. Political participation channels for non-elite Chinese nationals are completely blocked. The government tried to use the hollow language and ceremonies of patriotism to bridge the gap with less than satisfactory results. Events like the Olympics, National Day and the World Expo are just pastimes for the elite. During these events, the government shows extreme distrust for its people, who are kept out by means of de facto martial law. The two Chinas are so divided that it is difficult for ordinary people to meet and talk to a government official of as low level as a town manager.

7. Emotional division. While the China, Inc. is disdainful of the under China, the latter grow more and more distrustful of the former. The phenomena of so-called "hatred towards the rich" and "hatred towards officials" clearly demonstrate this mentality. In recent years, China's official media has adopted a new phrase: "conflicts caused by non-stake holders." It refers to the fact that more and more bystanders are participating in public riots.

To maintain the two-China structure, the Chinese government, over 20 some years after the Tiananmen, has built a monstrous "stability sustaining system" which has an operating budget exceeding China's national defense budget established a gigantic stability-preserving system.

Let's see how it has been developed.

Since the Tiananmen massacre, corruption has become one of the CCP's important strategies to survive because no Party officials at any level would be loyal to the regime if they were not

given the privilege to corrupt. Such a predatory regime has caused unprecedented infringement of the basic rights of the ordinary people, resulting in increasing frequent protests.

Currently in China, there are about 200,000 public protests with more than 100 participants each year—or once every 3 minutes. The government has no effective way to handle these other than increasing the police force to prevent the protests from becoming trans-regional. Every province has set up branches in Beijing, staffed with police officers and hired thugs and gangsters to intercept petitioners. These branches also run their own private detention centers. For the last years, the manpower, equipment, budget, and salary of policing has grown tremendously. Based on experts' estimates, there are at least 550,000 to 600,000 People's Armed Police and various other forms of police and para-police on the payroll. The Chinese local governments run more and more like mafias. They hire local gangsters to become their hatchet men and informants. In a recent interview with the official Xinhua News agency, the assistant sheriff of Kai-Lu County, Inner Mongolia, disclosed that there are 12,000 informants to help the police maintain stability in this county whose population is only 400,000. Some experts said that in first-tier cities such as Beijing or Shanghai and ethnic minority areas such as Tibet and Xinjiang, the number of spies is even greater. Extrapolating for the Kai-Lu County ration, there are at least 39 million informants nationwide. This coupled with 550,000-600,000 police force forms a heavy net of police over the people.

I must reemphasize that I use the two "Chinas" argument to show China's structural reality: the division between the elite groups and the general public. For some individuals in society, the boundaries of the two "Chinas" are not clearly marked, and not every member of society has a clear awareness of which China they belong to. In addition, the simple-benefit analysis is not enough. For example, some human rights lawyers and other opposition leaders, like Liu Xiaobo, the 2010 Nobel Peace Prize winner, could enjoy "elite Chinese" status, but they cross the border, trying to overcome the barrier that is similar to that between the colonial and the colony. They are trying to construct a reasonable society in line with universal values of public political life.

But the Chinese government is afraid of the possible integration between the two Societies based on justice. Such integration is against the current interest of the stockholders of China, Inc. That is why the CCP regime has always tried to contain and persecute those who (democracy advocates) believe and work for such integration. Some of them have been sent into exile overseas, others were put in jail. Still others were followed, monitored, or put in house arrest. It is a long-term strategy to guard against the democratization of China by eradicating, harassing, and eliminating citizen advocates.

Another strategy is to control, compress and eventually block the space for public expression of opinions. Internet is on top of the government's hit list. Any forum of public opinions could serve as a launch pad to start a process of breaking the boundary between the two "Chinas", therefore eventually leads to the collapsing of the elite China. The CCP regime is fully aware its significance, and are making every effort to put a tight grip over the internet.

This is how I use two-China analysis as the framework to summarize the Chinese communists' general strategies of maintaining authoritarian rule and resisting the democratization. On top of

the traditional lies and violence, the CCP regime has developed new tactics. It is comprised in the shape of a dragon:

Here you go.

The body: sustaining economic growth at all costs to maintain the regime's ruling legitimacy

Two wings: appeasing the elite with corruption and suppressing the powerless with rogue police

Two claws: purging democracy advocates like Liu Xiaobo and blocking public opinion.

Nevertheless, it is not enough to just see the severe division of the two societies of China. We need to stand in a more elevated position to envision the emerging of a new, democratic China, the third China. Although this third China did not take shape, there are many signs indicating its coming.

It usually takes four factors to be present at the same time to change a country from an autocracy to a democracy: 1) the robust, general disaffection from people; 2) split in the leadership in the autocratic regime; 3) viable opposition, viable democracy movement; and 4) international support.

Let me look at these factors.

First. CCP' dragon-shaped one-body, two-wing, and two-claw strategy has split China into two exclusive societies. This is what some experts called the rigid stable structure. But rigid human society ever has a sustainable stability. If such a society is stable for the moment, it is only because a crisis is in the cooking and new opportunity is on the horizon.

China's Stability Sustaining System treats every citizen as a potential enemy, and it has successfully made them enemies--dissidents, independent intellectuals, land-lease peasants, victims of forced demolitions and eviction, victims of forced abortion, veterans, migrant workers, Tibetans, Uyghurs, Mongolians, Christians, and Falun Gong practitioners, you name it. The CCP regime does not lack enemies.

Second. Compared to the under China, which is more diversified, the elite China seem to have common and consistent interests. But the consistency is based on bribery and buy-offs of multi-faucet interest groups, with intrinsic flaw in the foundation. Fierce internal power struggles have never ceased since the founding of the communist party. Perhaps the only achievement in China's political system in the past 30 years is the establishment of the "two-term, 10-year, one-generation" term limit system. Many observers predicted that such a system would ensure long-term stability for the CCP regime, wishfully believing that this system helped the CCP find a way out of the pit of power discontinuity that has plagued all dictatorships in history. The Bo Xilai event, however, mercifully burst that bubble. People within the Party have begun to challenge this power succession system. The cracks are only widening.

Third. The concept of democracy has prevailed in the minds of the general public, thanks to the dozens years of efforts made by the pro-democratic activists both in and outside of China. The most important sign of this is the recent intellectual awakening, evidenced by the return of the democracy debate, which has occupied a central place in the public discourse around China's leadership change. More and more intellectuals, who were generally co-opted by the regime not long after the Tiananmen massacre and acted as its defenders for many years, have come to realize and acknowledge Chinese democracy movement's contributions, ideas, and beliefs, which are embodied in Charter 08. Recognition by intellectuals that the status quo is unsustainable is always the first, and vital, step toward changing it.

In the meantime, the ordinary people are becoming more mature, more skillful, and more aggressive in fighting for their own civil rights. The China,Inc. can sure ignore the grievance of the society, but the people will eventually unite themselves to form organized rebellion if individual petitions yield no results. Among the people, there is a subgroup called the netizens, those who use the internet a lot, nearly 5 hundred and fifty millions of them. Although the Chinese authorities impose strict control over the media, the existence of the Internet paved a way for the people's awakening and networking. In the cyberspace language, the communist regime is rapidly losing all its moral asset while the people are constantly seeking opportunity to group together in a skillful way. The netizens constitute an "information elite" that cannot be all bought off. They will play a leading role in future organized activities. Generally speaking, as the non-governmental forces grow and the civil protests escalate, struggle for power among different factions with the communist regime will become public. Especially, once the external pressure reaches a critical mass, the rivalry factions with the CCP will have to take the citizen force into serious account and seek or use the latter's support. This means a decomposition of China,Inc.

That said, I want to emphasize that we need an overall, viable pro-democracy movement to force the dictatorship to crack open. A long-term resilient movement will reach critical mass when idealists like Liu Xiaobo join forces with the self-motivated public or the disaffected with the status quo.

A milestone to meet that objective would be the formation of a group of civil leaders able to represent the general public and to at least partially disrupt the current political order -- a group that would catch attention and support of the international community and carry out and to call for effective negotiations with the government. That was most needed but lacking in our 1989 Tiananmen movement. But we are moving, perhaps slowly but surely, toward that goal.

Last but not least, international support.

Many friends in the international community are skeptical about the Chinese people's demand for freedom and democracy. Let me propose the following thought experiment for you to judge for yourselves.

Imagine that you visited China, taking with you a copy of the *Universal Declaration of Human Rights*. Arbitrarily choose any citizens on the street. Show the document, asking them with the language they understand whether they want the rights listed there. What would you expect them

to say? Would you for a second believe they would say "No, I do not want these rights"? Of course, you wouldn't. You see, you understand the Chinese people through understanding yourselves: Nobody wants to be a slave. In this regard, the Chinese people are no different than other people in the world. The thirst for freedom and dignity is indeed universal.

The people of China have long ago begun the search for dignity, justice, goodness, fairness, equality, freedom, and brotherhood. They have produced a few major pushes towards these goals in this generation. In the 1989 Tiananmen democracy movement, the Chinese people courageously stood up against government corruption that in the words of **Charter08**, has "corrupted human intercourse." They stood up for democracy and freedom. The image of a lone man standing in front of a string of tanks has inspired the entire world, and our fallen brothers' spirits have been one of the greatest sources of inspiration for continued struggle for these noble goals today in China.

No one can predict with precision when the moment of dramatic opening for change will come in China. Virtually every one of the sixty some peaceful transitions to democracy in the past few decades have come as a surprise to the US. One reason is that diplomats, academics, and policy makers generally do not pay attention to what is happening with students, workers, farmers--- with the street level society and culture of the world's not-free countries.

The people of China are obviously experiencing revolutionary change. Above all else we must maintain our faith in my compatriots that we can and will join the vast majority of the world's peoples who now live in free or at least partly free countries. An opening for change could come in the next few months or it may take a few more years. Of course it will never come without collective efforts, including those from the international community. So we must persevere and keep the faith and be ready.